



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

SEP 27 2010

Honorable Neal Young
Director
Arizona Department of Economic Security
1717 W. Jefferson - Site Code 010A
Phoenix, Arizona 85007

Dear Director Young:

We have conditionally approved Arizona's application for Federal Fiscal Year (FFY) 2010 funds under Part C of the Individuals with Disabilities Education Act (IDEA or Part C). The effective date of Arizona's FFY 2010 IDEA Part C grant is September 23, 2010.

Our conditional approval is based on our review of the application submitted by the Arizona Department of Economic Security (DES) to the U.S. Department of Education, Office of Special Education Programs (OSEP), on July 14, and September 2, 21, 22, and 23, 2010, including policies, procedures, methods, descriptions, assurances, and certifications identified in Section II, which is incorporated by reference to this letter as Enclosure A. In addition, the State provided the following specific assurances that it will:

1. Operate consistently with the Part C requirements in 20 U.S.C. 1431 through 1444 and applicable regulations in 34 CFR Part 303;
2. Ensure that the statewide system of early intervention services required by IDEA Part C and its implementing regulations is, and will remain, in effect throughout the FFY 2010 grant period; and
3. Make such changes to, and submit, as necessary, for OSEP's approval, the State's policies, procedures, methods, and descriptions as are necessary to bring those policies, procedures, methods and descriptions into compliance with the requirements of IDEA Part C, as soon as possible, and not later than the earlier of the date indicated by the State in Section II of its application or June 30, 2011. Within Section II of its application, the State has included for each requirement that it cannot meet at this time, the date by which it expects to complete necessary changes associated with any policies, procedures, methods, and descriptions that are not yet in compliance with the requirements of IDEA Part C.

Arizona's FFY 2010 IDEA Part C grant award is being released subject to Special Conditions, which are identified in Enclosure B to this letter and are incorporated in this grant letter by this reference. These Special Conditions are imposed pursuant to the U.S. Department of Education's (Department's) authority in IDEA sections 616(g) and 642 and 34 CFR §80.12. The Special Conditions in Enclosure B are imposed to ensure DES's ability to timely: (1) conduct evaluations, assessments and initial Individualized Family Service Plan (IFSP) meetings for infants and toddlers within 45 days of the child's referral under 34 CFR §§303.321(e)(2),

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303.322(e)(1) and 303.342(a); and (2) provide early intervention services to infants and toddlers with disabilities and their families under 34 CFR §§303.340(c), 303.342(e), and 303.344(f)(1).

As described in OSEP's Memoranda, dated July 29, and September 22, 2010, OSEP has reviewed and accepted those Arizona policies and procedures submitted on July 14, and September 2, 21, and 22, 2010 and referenced in OSEP's Memoranda, dated July 29, and September 22, 2010, under Sections II.A.3, 5, 7, 11, and 14 of its FFY 2010 IDEA Part C application (including the two June 2010 interagency agreements). In addition, OSEP has also approved under Section II.A.4 of the FFY 2010 IDEA Part C application, the State's revised transition policies and procedures in Chapter 4, including policy 4.8.3, based on the State's assurance dated September 23, 2010.

As required by OSEP's May 26, 2010 IDEA Part C verification visit letter, DES's July 21, 2010 letter provided the required written assurances and schedules for implementing the following required actions. Specifically, DES provided written assurances that it will during FFY 2010:

- (1) Comply with the single line of responsibility requirements to administer all programs consistent with IDEA section 635(a)(10)(A) and 34 CFR §303.501(b)(2);
- (2) Revise its Division of Developmental Disabilities' (DDD's) service authorization procedures to be consistent with IDEA section 636 and 34 CFR §§303.342, 303.343, 303.344 and 303.403;
- (3) Provide timely early intervention services to eligible children and their families in all geographical regions in the State through appropriate written methods under IDEA sections 637(a)(2) and 640(b) by: (a) modifying DDD's service authorization procedures to ensure that only the IFSP team determines the services (including frequency) identified on the IFSP; and (b) amending DES contracts to provide Part C services when the DDD Qualified Vendor network is not available to do so.

Please note that as part of your State's application for FFY 2010, your State has made an assurance, pursuant to 34 CFR §80.11(c), that it will comply with all applicable Federal statutes and regulations in effect during the FFY 2010 grant period. Before adopting a new or revised IDEA Part C policy or procedure that is required under Section II.A of the State's FFY 2010 application, the State must subject those policies and procedures to the public participation requirements in 34 CFR §§303.110 through 303.113 and receive OSEP approval for them prior to their implementation.

Enclosed is the State's FFY 2010 grant award for funds available under the Consolidated Appropriations Act, 2010 – P.L. 111-117 for the Part C program. These funds are available for obligation by States from July 1, 2010 through September 30, 2012 in accordance with 34 CFR §76.709.

Section IV.B. of the State FFY 2010 application for Part C funds requested updated information about each State's restricted indirect costs. Your State indicated that DES has a final cost allocation plan, which was approved by DES's cognizant Federal agency, the U.S. Department of

Health and Human Services by letter dated May 28, 2009. In Section IV.B, DES (as the lead agency designated under Part C) indicated that it will continue to apply the currently approved cost allocation plan to its IDEA Part C FFY 2010 grant funds until a new or revised cost allocation plan is negotiated and approved by DES's cognizant Federal agency. When a final cost allocation plan is approved for FFY 2010, please forward to our Indirect Cost Unit and to your OSEP State Contact: (1) a copy of the final cost allocation plan and approval letter; and (2) details of adjustments made to GAPS liquidations after approval of the final plan.

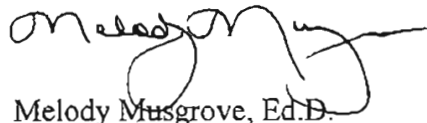
Section 604 of the IDEA provides that "[a] State shall not be immune under the 11th amendment to the Constitution of the United States from suit in Federal court for a violation of this [Act]."

Section 606 provides that each recipient of assistance under IDEA make positive efforts to employ and advance in employment qualified individuals with disabilities in programs assisted under the IDEA. Therefore, by accepting this grant, your State is expressly agreeing as a condition of IDEA funding to a waiver of Eleventh Amendment immunity and to ensuring that positive efforts are made to employ and advance employment of qualified individuals with disabilities in programs assisted under the IDEA.

The enclosed grant award of FFY 2010 funds is made with the continued understanding that this Office may, from time to time, require clarification of information within your application, if necessary. These inquiries may be necessary needed to allow us to appropriately carry out our administrative responsibilities related to Part C.

We appreciate your ongoing commitment to the provision of quality early intervention services to infants and toddlers with disabilities and their families.

Sincerely,

A handwritten signature in black ink, appearing to read 'Melody Musgrove', with a stylized flourish extending to the right.

Melody Musgrove, Ed.D.
Director
Office of Special Education Programs

Enclosures

Enclosure A (Section II of the State's application)

Enclosure B (Special Conditions)

cc: Part C Coordinator